PRIME MINISTER

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UDM

Your office raised with mine earlier this week the possible advantage to the UDM of negotiating pay locally with British Coal while leaving NUM negotiations on a national basis. We are meeting to discuss the UDM next week but you may find it helpful to have a response to this suggestion now.

Local pay negotiation is the complete opposite of what the UDM want. In all pay negotiations with British Coal so far they have explicitly rejected any suggestion of local pay bargaining. Their wish has been for national negotiations on the widest possible range of issues, not only pay but such things as annual holidays, grade rate protection and compensation for hearing damage. On all these British Coal has offered to set up national working parties with the UDM.

The UDM are essentially a local union. One of their main purposes is nevertheless to be acknowledged as a national union. Local pay bargaining for them and not for the NUM, especially if the 50% + 1 principle were to be maintained, would only emphasise the geographically limited area of their effective operations. the last thing they would want - and would give the NUM welcome ammunition for further attempts to diminish the status of the new union.

Sir Robert Haslam agrees with these views.

Secretary of State for Energy

31 October 1986